



Third Quarter Earnings Attachments

GEOMET, INC. CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(Unaudited)

(In thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Gas sales	\$ 10,968	\$ 10,542	\$ 33,419	\$ 24,240
Gas marketing	5,029	-	5,029	-
Other fees and other	-	4	-	376
Total Revenues	15,997	10,546	38,448	24,616
Expenses:				
Purchased gas	4,976	-	4,976	-
Total production expenses	3,810	3,399	12,121	9,062
Depreciation, depletion and amortization	2,168	1,029	5,749	3,378
Research and development	16	211	114	532
General and administrative	1,953	721	4,408	2,277
Realized (gains) losses on derivative contracts	(551)	2,152	(395)	2,289
Unrealized (gains) losses on derivative contracts	(4,134)	19,164	(14,579)	21,833
Total operating expenses	8,238	26,676	12,394	39,371
Income (loss) from operations	7,759	(16,130)	26,054	(14,755)
Other expenses & interest, net	(754)	(1,054)	(2,347)	(2,507)
Income tax expense (benefit)	2,765	(5,841)	10,013	(5,843)
Net income (loss) before minority interest, net of income tax	4,240	(11,343)	13,694	(11,419)
Minority interest, net of income tax	12	-	12	(442)
Net income (loss)	\$ 4,228	\$ (11,343)	\$ 13,682	\$ (10,977)
Net income (loss) per share - basic	\$ 0.11	\$ (0.41)	\$ 0.40	\$ (0.40)
Net income (loss) per share - diluted	\$ 0.11	\$ (0.41)	\$ 0.39	\$ (0.40)
Weighted average shares outstanding - basic	36,921	27,665	33,799	27,555
Weighted average shares outstanding - diluted:	37,770	27,665	34,802	27,555



GEOMET, INC. CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)
(In thousands)

	<u>September 30, 2006</u>	<u>December 31, 2005</u>
Assets:		
Current assets	\$ 12,461	\$ 9,829
Properties and equipment, net	298,740	236,649
Other assets	2,295	1,431
Total assets	<u>\$ 313,496</u>	<u>\$ 247,909</u>
Liabilities and stockholders' equity		
Current liabilities	\$ 19,715	\$ 17,197
Long-term debt	41,847	99,926
Other long-term liabilities	45,156	35,364
Total liabilities	<u>106,718</u>	<u>152,487</u>
Minority interest	12	-
Total stockholders' equity	206,766	95,422
Total liabilities and stockholders' equity	<u>\$ 313,496</u>	<u>\$ 247,909</u>

GEOMET, INC. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)
(In thousands)

	<u>Nine Months Ended September 30,</u>	
	<u>2006</u>	<u>2005</u>
Net cash provided by operating activities	\$ 21,314	\$ 8,419
Net cash used in investing activities	(57,964)	(49,272)
Net cash provided by financing activities	38,991	39,635
Effect of exchange rates changes on cash	(33)	(5)
Increase (decrease) in cash and cash equivalents	<u>2,308</u>	<u>(1,223)</u>
Cash and cash equivalents at beginning of period	616	3,014
Cash and cash equivalents at end of period	<u>\$ 2,924</u>	<u>\$ 1,791</u>



GEOMET, INC. OPERATING STATISTICS

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Net Sales Volume				
Total (Bcf)	1.7	1.2	4.5	3.3
Daily Average (Mcf)	17,993	13,113	16,486	12,012
Average natural gas price				
	\$ 6.63	\$ 8.74	\$ 7.43	\$ 7.39
Differential to NYMEX ⁽¹⁾	\$ 0.04	\$ 0.28	\$ 0.06	\$ 0.18
Average natural gas price - realized ⁽²⁾				
	\$ 6.96	\$ 6.95	\$ 7.51	\$ 6.69
Expenses: (\$ per Mcf)				
Lease operating costs	\$ 1.52	\$ 1.92	\$ 1.82	\$ 1.89
Transportation costs	\$ 0.34	\$ 0.35	\$ 0.36	\$ 0.33
Compression costs	\$ 0.29	\$ 0.36	\$ 0.35	\$ 0.38
Production taxes	\$ 0.16	\$ 0.19	\$ 0.17	\$ 0.16
Total Production Costs	\$ 2.31	\$ 2.82	\$ 2.70	\$ 2.76

⁽¹⁾ The difference between the average natural gas price for the period, before the impact of hedging, and the final average settlement price for natural gas contracts on the New York Mercantile Exchange ("NYMEX") for each month during the applicable period weighted by gas sales volumes

⁽²⁾ Average realized price includes the effects of realized gains or losses on derivative contracts

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GEOMET, INC. Pond Creek Field OPERATING STATISTICS

(Unaudited)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Net Sales Volume				
Total (Bcf)	1.0	0.8	2.8	2.1
Daily Average (Mcf)	10,870	8,329	10,193	7,648
Expenses: (\$ per Mcf)				
Lease operating costs	\$ 1.13	\$ 1.42	\$ 1.37	\$ 1.49
Transportation costs	\$ 0.56	\$ 0.55	\$ 0.58	\$ 0.52
Compression costs	\$ 0.28	\$ 0.39	\$ 0.36	\$ 0.42
Production taxes	\$ 0.01	\$ 0.03	\$ 0.02	\$ 0.02
Total Production Costs	\$ 1.98	\$ 2.39	\$ 2.33	\$ 2.45

GEOMET, INC. Gurnee Field OPERATING STATISTICS

(Unaudited)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Net Sales Volume				
Total (Bcf)	0.5	0.3	1.4	0.8
Daily Average (Mcf)	5,948	3,487	5,078	2,990
Expenses: (\$ per Mcf)				
Lease operating costs	\$ 2.52	\$ 3.80	\$ 3.14	\$ 3.75
Transportation costs	\$ -	\$ -	\$ -	\$ -
Compression costs	\$ 0.36	\$ 0.41	\$ 0.39	\$ 0.42
Production taxes	\$ 0.37	\$ 0.49	\$ 0.42	\$ 0.42
Total Production Costs	\$ 3.25	\$ 4.70	\$ 3.95	\$ 4.59



GEOMET, INC. NATURAL GAS PRODUCTION HEDGES

(Unaudited)
(As of September 30, 2006)

<u>Period</u>	<u>Type</u>	<u>Volume MMBtu</u>	<u>Weighted Average Price per MMBtu</u>		
			<u>Cap</u>	<u>Floor</u>	<u>Protection *</u>
October 2006	3 Way Collar	372,000	\$ 8.49	\$ 7.00	\$ 1.12
Winter 2006 / 2007	3 Way Collar	1,510,000	\$ 11.02	\$ 8.20	\$ 1.50
Summer 2007	3 Way Collar	1,712,000	\$ 10.50	\$ 7.38	\$ 1.63
Winter 2007 / 2008	3 Way Collar	1,216,000	\$ 14.80	\$ 9.00	\$ 3.00
Summer 2008	3 Way Collar	1,712,000	\$ 10.50	\$ 7.00	\$ 2.00

* Protection is the difference between the floor price and the point where the floor phases out.
It remains a constant premium as prices decline below the point at which the floor phases out.



GEOMET, INC. RECONCILIATION OF EBITDA AND ADJUSTED EBITDA

(Unaudited)

(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Net Income (loss)	\$ 4,228	\$ (11,343)	\$ 13,682	\$ (10,977)
Add: Interest expense, net of interest income and amounts capitalized	732	1,046	2,342	2,500
Add: Other loss	23	7	5	7
Add (Deduct): Expense (benefit) for income taxes	2,765	(5,841)	10,013	(5,843)
Add: Depreciation, depletion and amortization	2,168	1,029	5,749	3,378
EBITDA	9,916	(15,102)	31,791	(10,935)
Add (Deduct): Unrealized losses (gains) on derivative contracts	(4,134)	19,163	(14,579)	21,834
Add: Stock based compensation	89	-	118	-
Add: Accretion expense	42	26	287	72
Adjusted EBITDA	\$ 5,913	\$ 4,087	\$ 17,617	\$ 10,971

The above table reconciles our net income (loss) to EBITDA and Adjusted EBITDA. EBITDA is defined as net income (loss) before deducting net interest expense, deducting or adding other non-operating income or losses, deducting or adding income taxes (benefit), and deducting depreciation, depletion and amortization. Adjusted EBITDA is defined as EBITDA after adding back the effects of non-cash charges including unrealized gains or losses resulting from the change in the market value of open derivative contracts, stock based compensation and accretion of asset retirement obligation at the end of the period. EBITDA and Adjusted EBITDA are not measures of performance calculated in accordance with generally accepted accounting principals (GAAP) and should not be considered as an alternative to GAAP measures such as net income, operating income, or any other GAAP measures of liquidity or financial performance. Management believes that EBITDA and Adjusted EBITDA are useful to an investor in evaluating GeoMet because it is a indicator of the Company's ability to generate cash to fund its exploration and development activities and analysts use this information to compare and evaluate companies in the oil and gas exploration and production industry.